

CompTel

RECEIVED

October 24, 2000

OCT 24 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Via Hand Delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

ORIGINAL

EX PARTE OR LATE FILED

Re: Ex Parte Presentation in CC Docket No. 96-98

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's rules, the Competitive Telecommunications Association ("CompTel") hereby gives notice that on October 23, 2000, its representatives, and representatives of CompTel members Advanced TelCom Group ("ATG") and IP Communications ("IP"), met with Chairman Kennard, Carol Matthey, David Soloman, and Katherine Farroba. In our meeting, CompTel explained its position regarding the importance of CLEC access to next generation networks. CompTel, ATG and IP engaged in a discussion with Commission representatives that generally corresponded to the attached presentation.

During our meeting, materials were distributed; copies of these materials are attached. Representing ATG were Robert Warsteler, President and Chief Operating Officer, and Kath Thomas, Vice President for Regulatory and Public Policy. Representing IP were Sean Minter, President and Chief Operating Officer, and Howard Siegel, Vice President of Regulatory Policy. Representing CompTel were Russell Frisby, President, and the undersigned attorney.

Sincerely,



Jonathan Lee
Vice President,
Regulatory Affairs

No. of Copies rec'd _____
List A B C D E

04/

CLEC Access to “New Networks”

**Meeting with Chairman William E. Kennard
October 23, 2000**

CompTel

CompTel Members Need Access to “New Networks”

Two FCC proceedings will affect how competitors receive access to fiber-fed NGDLC networks now and in the future

CompTel’s petition for reconsideration of the
“Pronto” Modification Order

Collo Remand and 5th FNPRM in the Local
Competition Docket

New Network's Potential

Overlay networks have the potential to accommodate even more competitive alternatives than exist today

- symmetric data services, supporting applications such as VoDSL

- video services

- in addition to traditional POTS and high-speed Internet

Pronto As Available to CLECs

Competitors would be limited to services supported by the ILEC's vendor of choice

Line Cards of other vendors are not compatible

Other functions only available through "collaborative" with SBC as arbiter

No guaranty when or how SBC will provide means for CO-based CLECs to provide POTS and data in competition with SBC

Pronto As Offered (cont'd)

Collocation space in the remote terminal is limited, and of limited benefit

No choice of QoS for Permanent Virtual Circuits (PVCs)-only UBR (unspecified bit rate)-cannot support symmetric services

SBC's equipment gets benefit of "splice point" interconnection with the copper sub-loop

CLECs must run cable from the RT to SAI

No collocation space for cabinets placed prior to September 15, 2000

CLEC's Access Needs Depend on Entry Strategy

Voice/Data Carriers

E.g. ATG

Need to be able to
offer integrated
voice/data solutions
which allow continued
use of CO-deployed
equipment

Need Technology

Neutral RT Platform

Data-Only CLECs

E.g., IP Comm.

Need to be able to
provide "wholesale"
data solutions to both
"platform" and loop-
based voice providers

Need Technology

Neutral RT Platform

Advanced TelCom Group, Inc.



ATG Mission:

To bring the benefits of Internet infrastructure and facilities-based advanced digital communications services to business customers in underserved mid-sized markets across the United States.

ATG Accomplishments – First 18 Months

- **Key market development accomplishments:**
 - **Currently offering services in 9 markets encompassing 56 cities**
 - **Under development - 9 additional markets encompassing 50 cities**
 - **6 voice switches, 16 data switches and routers and 31 collocations are operational**
- **Completed 3 acquisitions, with 1 additional transaction pending**
- **Experienced senior and middle management team in place**
- **Over 65,000 access lines in service and an annualized revenue run rate of approximately \$65MM**
- **Demonstrated success in selling “bundled” services under term agreements which average 3.5 years**

ATG Accomplishments – First 18 Months (continued)

- **Key financial accomplishments:**
 - Raised \$280MM of private equity and \$280MM of senior debt
 - Fully funded in all approved markets
 - Commercial banking relationships: First Union, JP Morgan and GE Capital
 - Investment banking relationships: Salomon Smith Barney, CS First Boston, Lehman Brothers, JP Morgan and First Union

Market Conditions - Tier III and IV

- **ILECs have clearly and systematically “withdrawn”**
 - **No local sales, customer service, or business office presence**
 - **Installation and repair is remotely dispatched**
 - **Capital improvements directed toward Tier I and II cities only**
- **No national carriers focused on Tier III and IV markets**
- **Customer base predominantly comprised of small/medium enterprises (SMEs)**
 - **Highest growth segment of market**
 - **Bundled solutions attractive - value propositions**
 - **Desire for pro-active “local” sales and service**
 - **Greater loyalty to service provider and reduced churn**

Current Internet Services and Products

- DSL – **All flavors to maximize our service offering, provisioning flexibility, and product reach**
- aDSL – sDSL – iDSL
- VoATM **through our sDSL offerings**
- HiCAP IP Services **via T-3, T-1, ATM, Frame Relay**
- Combined Voice and Data T1's
- HiCAP IP Services via Wireless
 - **Point-to-Point**
 - **Point-to-MultiPoint**
- Customer Collocation Service – **All ATG Services**
- Web Hosting – **Traditional, Virtual Private Servers, and Dedicated Servers**
- "vPN" Services – **Private Networking Services**
- Dialup Accounts – **Analog & ISDN**
- Full Suite of Internet Services – **Domain name hosting, email accounts, ftp, mailing lists, ip address services, part-time smtp, Usenet services, email aliases, and generous email, web, and ftp space**

CompTel

Approved Markets

Market	Initial Commerical Operations	Business Lines	Market Population	Facilities Based Competition
Sonoma County, CA	July 1999	68,000	215,000	Pacific Bell
Salem/Eugene, OR	August 1999	65,000	304,000	US West
Olympia/Tacoma, WA	August 1999	79,000	279,000	US West, GST
Portland, OR	August 1999	115,000	491,000	US West, GST, ELI, AT&T Local
Other Oregon	August 1999	93,000	283,400	US West
Reno, NV	February 2000	64,000	275,000	Nevada Bell, MCI WorldCom
Montgomery/Frederick Counties, MD ⁽¹⁾	July 2000	135,000	209,500	Bell Atlantic, e.s.pire
Everett/Bellingham, WA	August 1999	52,000	166,500	US West, GTE
Stamford, CT	3Q 2000	60,000	239,000	Bell Atlantic, MCI WorldCom, SNET
Marin/Napa Counties, CA	July 2000	81,000	184,700	Pacific Bell, GTE
Towson, MD	3Q 2000	74,000	128,000	Bell Atlantic
Nassau County, NY	4Q 2000	205,000	320,600	Bell Atlantic, Cablevision
Mercer County, NJ	1Q 2001	97,000	320,000	Bell Atlantic
Northern CO	1Q 2001	81,000	319,900	US West, ICG
Walnut Creek / Pleasanton, CA ⁽²⁾	1Q 2001	160,000	461,800	Pacific Bell, GST, ICG
Westchester County, NY	1Q 2001	85,800	415,300	Bell Atlantic, AT&T Local, MCI WorldCom Intermedia, Cablevision, Allegiance
Total		1,514,800	4,612,700	

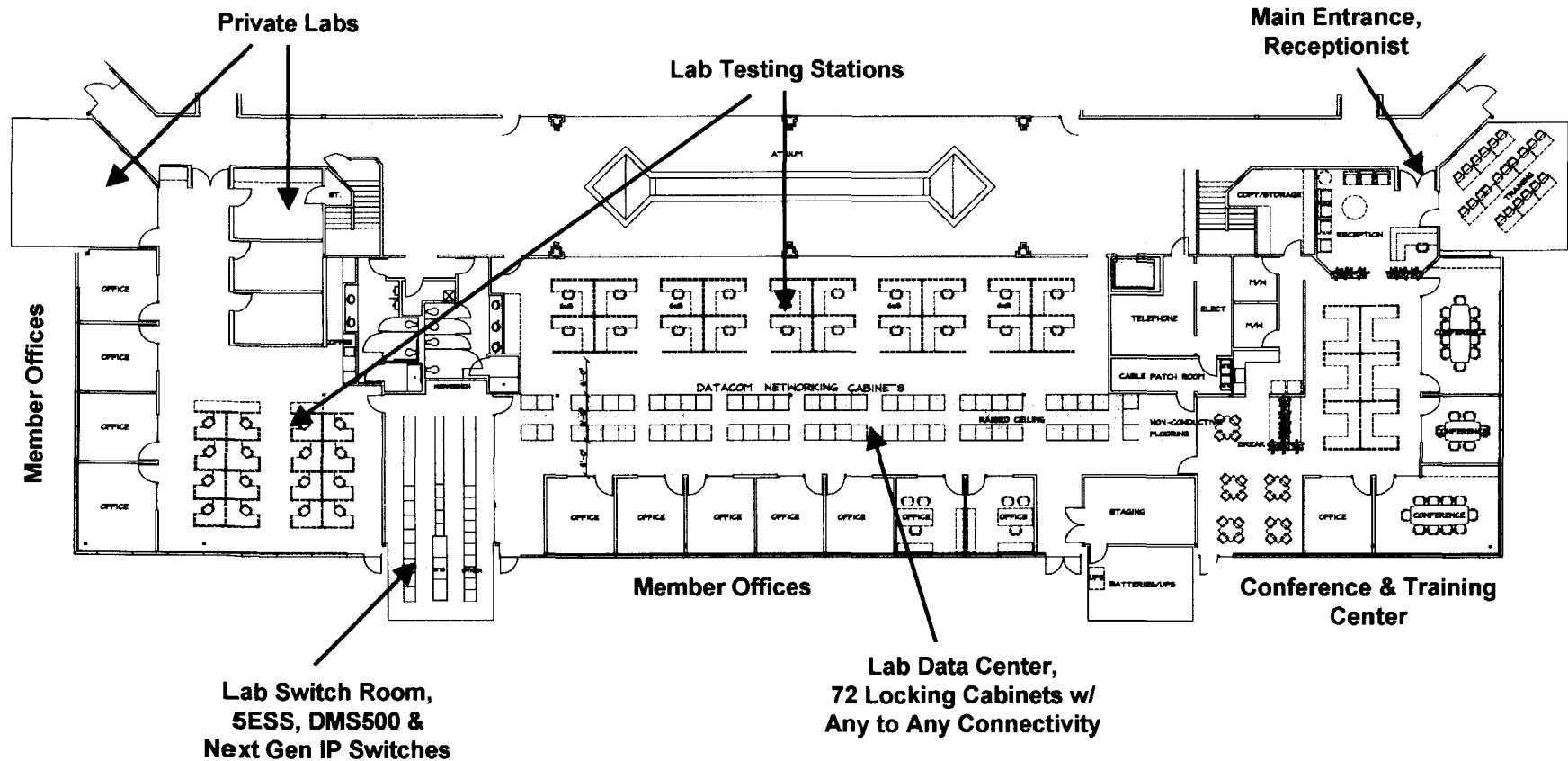
⁽¹⁾ Includes the Montgomery/Frederick Counties, MD and Fairfax/Loudoun, VA regions (Two Markets)

⁽²⁾ Two Markets

In operation (full or Internet only)

Under development

CompTel



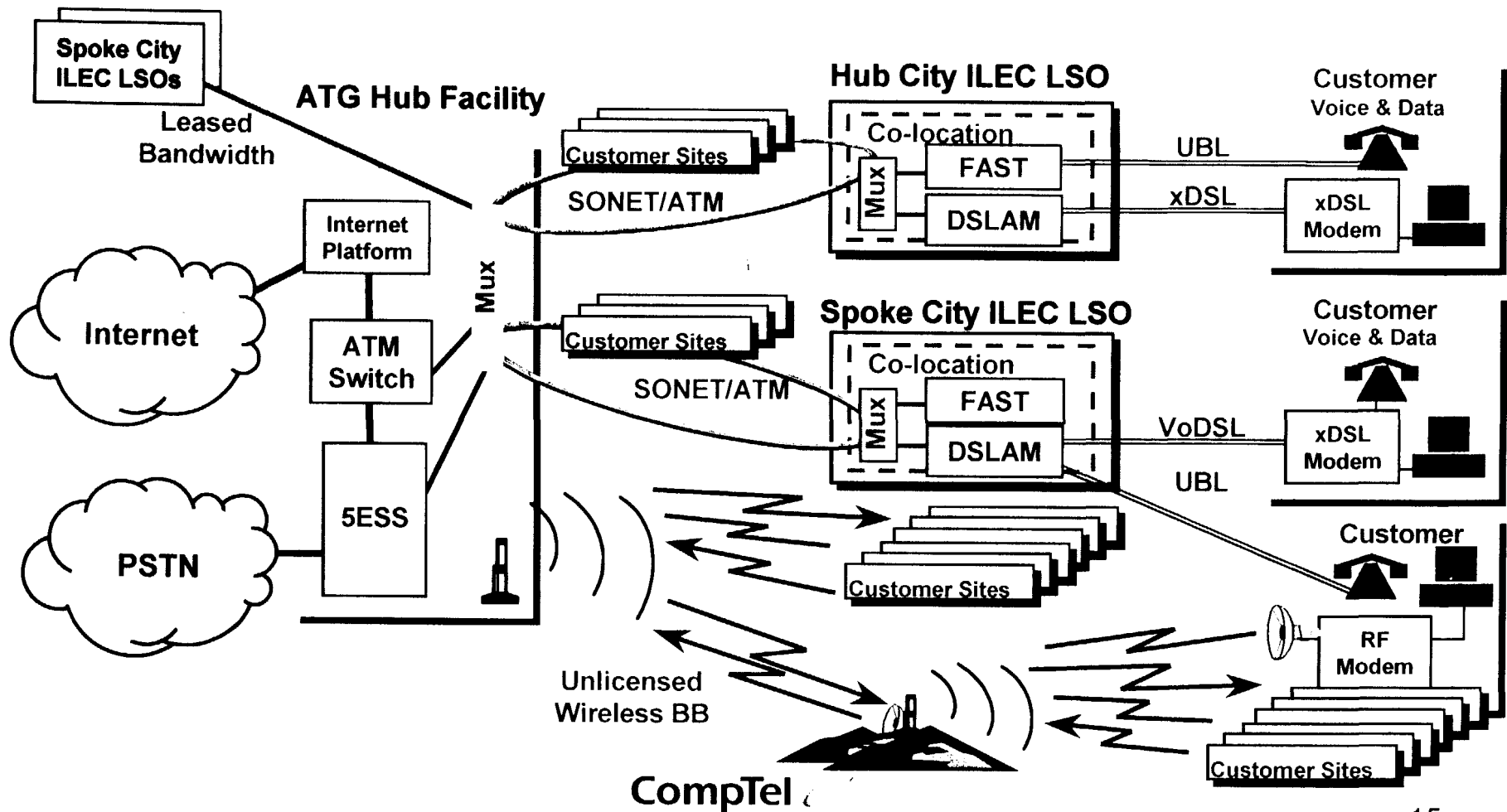
2000 - The year of new technology

ATG's Involvement with Future Technologies

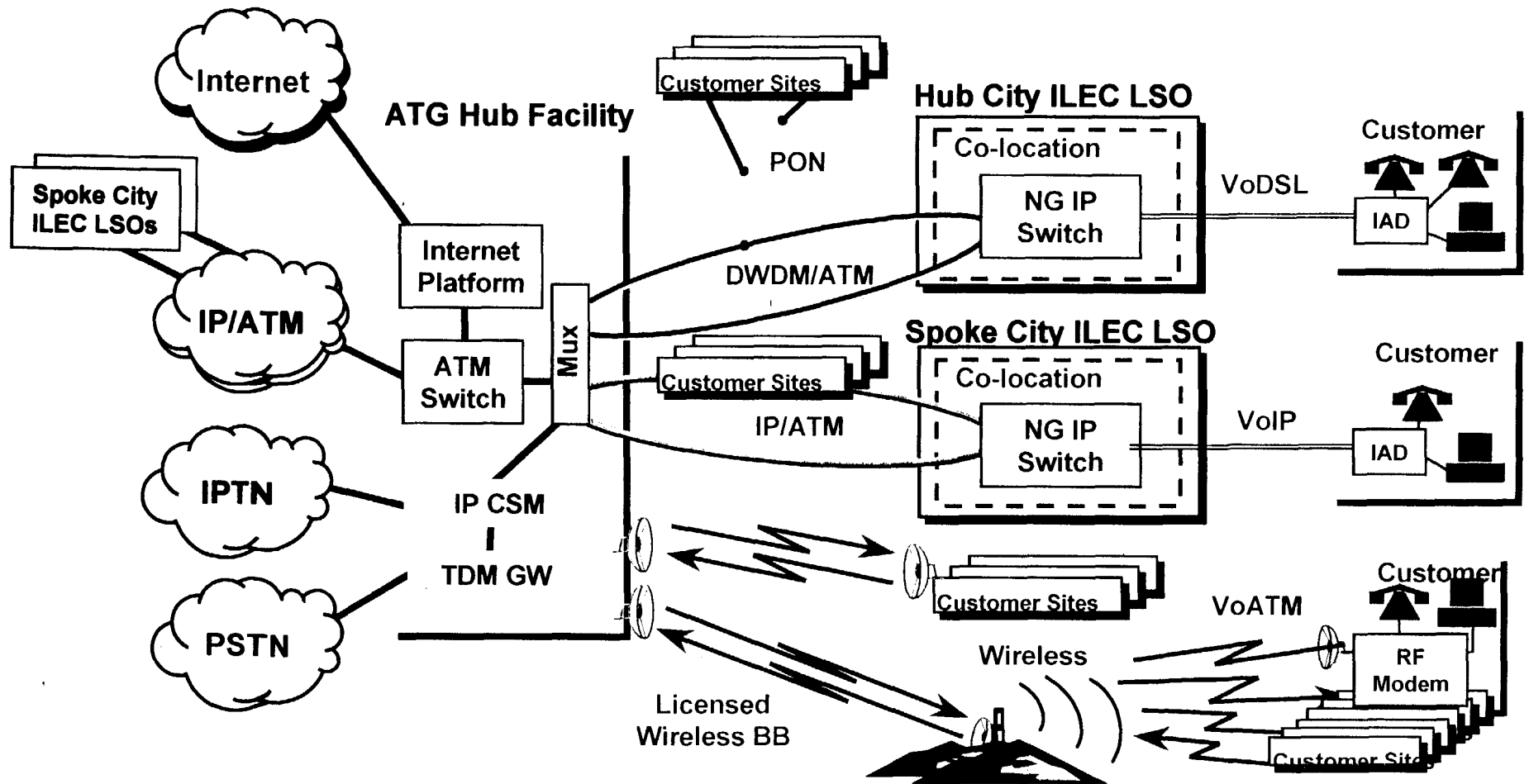
The new convergent technology companies working with ATG:

- **Accordian Networks**
- **Adaptive Broadband**
- **Astral Point Communications**
- **Chromatis**
- **CopperCom/DTInetworks**
- **Gluon Networks**
- **IPverse**
- **Jetstream**
- **Mahi Networks**
- **Nokia**
- **Promatory**
- **Quantum Bridge**
- **RedBack Networks**
- **Tachion**
- **Turin Networks**
- **Western Multiplex/Ubiquity**
- **Westwave Communications**
- **Zhone**

Today's Architecture



Tomorrow's Architecture



CompTel

ATG's Future

- **By the year 2005, ATG will:**
 - **Provide facilities-based service in 50+ markets (150 – 250 cities)**
 - **Deploy \$1.5 billion+ in capital**
 - **Be an industry consolidator in mid-sized markets**
 - **Generate a \$1+ billion revenue run rate**
 - **Be viewed as the premier national ICP in mid-sized markets**

IP Communications, Inc.

Integrated Communications Provider focused on SBC territory

Initially funded in November 1999

Ubiquitous market coverage

- Tier I, II and III

- Business and consumer

Quick execution on business plan

- 400 collocations

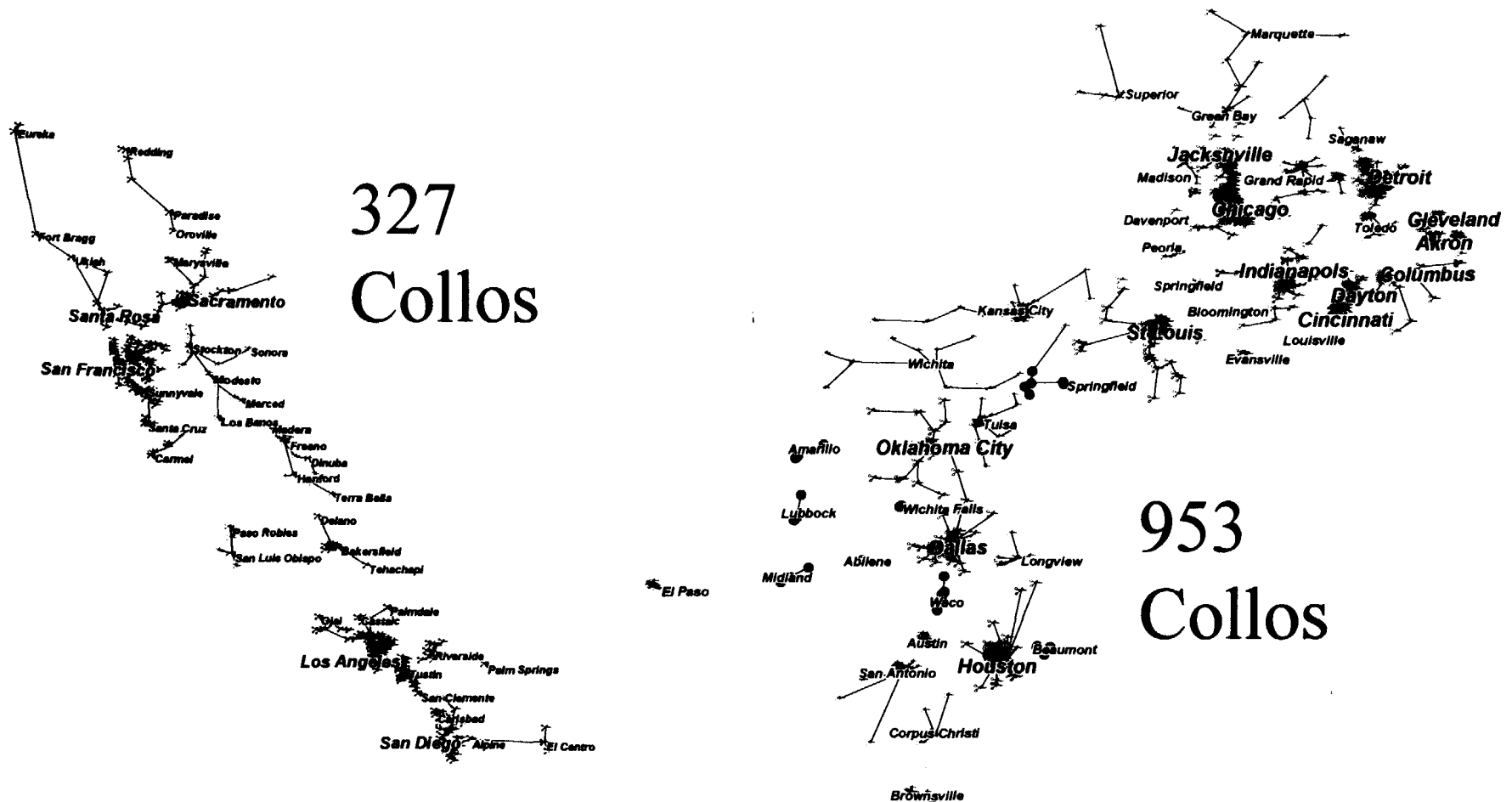
- Retail/Wholesale

- Electronically bonded with SBC

IPC Provides Data Services to Businesses and Consumers within SBC Territory

CompTel

IPC's Saturation of SBC Territory



Saturation vs. Segmentation

Effect of non-neutral deployment of Pronto/NGDLCs

Investing 250 million dollars in central office collocations and equipment.

Must be a ubiquitous provider to compete on a level playing field

Without a neutral deployment

Holes will exist in our network that the ILECs will not have impairing our ability to attract Internet Service Providers (ISPs)

Based on SBC numbers, those could equal half of the advanced services market

Collocation and equipment investment can become stranded

CompTel

CompTel's Petition for Reconsideration

CompTel has requested reconsideration/clarification of several issues. FCC grant of this petition will:

- Ensure that other providers will take meaningful delivery of SBC's broadband offering at the same time as SBC's affiliate

- Ensure that unaffiliated voice and data providers can partner to offer consumers the same service offered by SBC and its affiliate

CompTel's Petition (cont'd)

Clarify that Pronto-related offerings are voluntarily-provided UNEs, ensuring

Access to existing body of FCC and state rulings concerning obligations to offer cost-based prices and nondiscriminatory access

Availability of state arbitration of disputes regarding compliance with conditions and availability of full functionality of equipment

Project Pronto Fiber-Fed DLC Configuration

Source: Rhythms Presentation at CompTel Business Conference 5/25/00

